

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 L-03 SP-02 AID-05 NSC-05 CIEP-01

TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03 LAB-04

SIL-01 INT-05 FEA-01 /083 W
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P 082035Z OCT 75

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC PRIORITY 5121

C O N F I D E N T I A L SANTIAGO 6784

E. O. 11652: GDS

TAGS: CI, OVIP, (LENIZ, FERNANDO) EMIN

SUBJECT: FERNANDO LENIZ

REF: STATE 234485

1. FERNANDO LENIZ HAS RESIGNED AS DEPUTY VP OF CODELCO (COPPER CORPORATION). HE HAS TOLD US THAT HE NOW PLANS TO LEAVE FOR UNITED STATES OCTOBER 9 FOR FAMILY REASONS, AND SIGHTSEEING BEFORE OPENING CONSULTATION FIRM HERE. HE WOULD APPRICIATE OPPORTUNITY TO TALK WITH INTERESTED OFFICIALS IN DEPARTMENT AND OPIC CONCERNING PROSPECTS FOR FOREIGN INVESTMENT IN COPPER INDUSTRY AND FOR A COPPER COMMODITY AGREEMENT. HIS MOST CONVENIENT TIME WOULD BE DURING TWO WEEKS FOLLOWING COLUMBUS DAY HOLIDAY. HE CAN BE CONTACTED THROUGH HIS DAUGHTER, SOLEDAD LENIZ, TELEPHONE 617-628-3676, ADDRESS 10 WEBSTER AVENUE, SOMVERVILLE, MASS. 02143.

2. HIS RESIGNATION (POSSIBLY OWING TO PERSONAL BREACH WITH PINOCHET) NOTWITHSTANDING, LENIZ REMAINS PERSONALITY OF STATURE AND INFLUENCE. WE SUGGEST THAT MESSRS FISHLOW AND BOEKER MIGHT WISH TO MEET WITH HIM. SIMILARLY INTERESTED OFFICIAL S IN OPIC.

3. LENIZ TOLD US THAT, WITH HIS DEPARTURE, RESPONSIBILITY FOR COPPER POLICY WOULD BE ADDED TO TASKS OF ECONOMIC SUPERMINISTER
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JORGE CAUAS. RAUL SAEZ WILL CONTINUE AS NEGOTIATOR WITH FOREIGN

COMPANIES FOR TIME BEING. LENIZ CONFIRMED, HOWEVER, THAT SAEZ IS ANXIOUS TO LEAVE. LENIZ NOTED SURPRISING FACT THAT HIS SUCCESSOR AS VP CODELCO, GENERAL ORLANDO URBINA QUOTE WAS CONSIDERED UNQUOTE TO HAVE BEEN CLOSE TO ALLENDE. HE IS SAID ALSO TO BE CLOSE TO PINOCHET.

4. LENIZ WAS FRANK ABOUT VESITIGIAL MISTRUST OF FOREIGN INVESTMENT REMAINING AMONG CERTAIN UPPER LEVEL BUREAUCRATS, WHOM HE DESCRIBED AS EXCEEDINGLY INSULAR. TO THEM, CHILEAN COPPER WAS LIKE A QUOTE POT OF GOLD UNQUOTE TO BE KEPT OUT OF THE HANDS OF FOREIGNERS PRESUMED TO BE AVID TO TAKE IT. THESE BUREAUCRATS FAILED TO REALIZE THAT CHILE ITSELF LACKED THE RESOURCES WITH WHICH TO EXPLOIT ITS OWN COPPER. LENIZ AGREED THAT, WITHOUT SUITABLE INDUCEMENTS, FOREIGN INVESTMENT MIGHT NOT BE WILLING TO INCUR THE COSTS AND RISKS INHERENT IN COPPER MINING.

5. WHEN PRESSED ON THE MATTER RAISED BY OPIC IN REFTTEL, LENIZ MERELY NOTED THAT TWO COPPER SITES NOW BEING CONSIDERED FOR FOREIGN EXPLOITATION WERE COVERED BY SIGNED BUT STILL UNPUBLISHED DECREE LAW (FOR TEXT SEE SANTIAGO A-153). IN CONCLUSION, LENIZ INDICATED THAT HE DID NOT CONSIDER THAT THE DECREE LAW WOULD BE CHANGED, NOR WOULD HIS BASIC PLAN FOR SEPARATING OPERATING COMPANY FROM POLICY ENTITY UNDERGO ANY SUBSTANTIAL MODIFICATION. HE FEELS THAT HIS BASIC TASK HAS BEEN ACCOMPLISHED.

6. PLEASE BRING THIS TEL TO PROMPT ATTENTION OF ARA/ECP, ANN BERRY.
POPPER

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